

ALOHA TOWNSHIP
CHEBOYGAN COUNTY
FINANCIAL STATEMENTS
MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

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LOCAL AUDIT & FINANCE DIV.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Aloha Township	County Cheboygan
Audit Date 3/31/04	Opinion Date 9/3/04	Date Accountant Report Submitted to State: 12/16/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

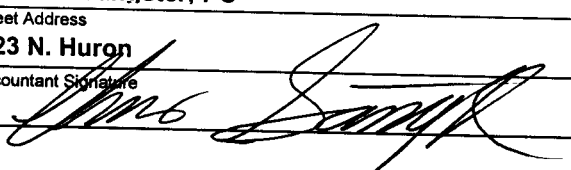
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Elliott & Sangster, PC			
Street Address 123 N. Huron		City Cheboygan	State MI
Accountant Signature 		ZIP 49721	Date 12/16/04

ALOHA TOWNSHIP

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Elliott & Sangster

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL CORPORATION

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Christopher R. Sangster, MST, CPA
Gregory J. Elliott, CPA

MEMBER
MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

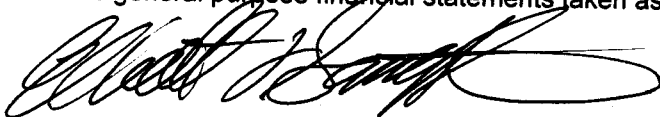
Township Board
Aloha Township
Cheboygan County
Cheboygan, Michigan

We have audited the accompanying general purpose financial statements of **ALOHA TOWNSHIP, CHEBOYGAN COUNTY**, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of **ALOHA TOWNSHIP, CHEBOYGAN COUNTY** as of March 31, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of **ALOHA TOWNSHIP, CHEBOYGAN COUNTY**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



September 3, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

ALOHA TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004

	ASSETS				Totals (Memorandum Only)
	Governmental Fund Types		Fiduciary Fund Type	General	
	General	Special Revenue	Trust & Agency	Fixed Assets	
ASSETS					
Cash and Cash Equivalents	\$ 204,902	\$ 132,029	\$ 609	\$ -	\$337,540
Taxes Receivable	3,812	8,302	-	-	12,114
Due from Other Funds	609	-	-	-	609
General Fixed Assets	-	-	-	184,992	184,992
TOTAL ASSETS	<u>\$ 209,323</u>	<u>\$ 140,331</u>	<u>\$ 609</u>	<u>\$ 184,992</u>	<u>\$535,255</u>
	LIABILITIES AND FUND EQUITY				
	Governmental Fund Types		Fiduciary Fund Type	General	
	General	Special Revenue	Trust & Agency	Fixed Assets	
LIABILITIES					
Due to Other Funds	\$ -	\$ -	\$ 609	\$ -	\$ 609
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>	<u>\$ 609</u>
FUND EQUITY					
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 184,992	\$184,992
Fund Balance:					
Unreserved, undesignated	209,323	140,331	-	-	349,654
TOTAL FUND EQUITY	<u>209,323</u>	<u>140,331</u>	<u>-</u>	<u>184,992</u>	<u>534,646</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 209,323</u>	<u>\$ 140,331</u>	<u>\$ 609</u>	<u>\$ 184,992</u>	<u>\$535,255</u>

See notes to financial statements.

ALOHA TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
MARCH 31, 2004

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenues</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Taxes	\$ 45,026	\$ 73,684	\$ 118,710
State Revenues	71,429	-	71,429
Contributions from Local Units	-	16,200	16,200
Charges for Services	138	1,370	1,508
Interest	4,424	1,087	5,511
Other	5,280	350	5,630
TOTAL REVENUES	\$ 126,297	\$ 92,691	\$ 218,988
EXPENDITURES			
Legislative	\$ 18,675	\$ -	\$ 18,675
General Government	66,694	26,511	93,205
Public Safety	800	35,909	36,709
Public Works	16,794	-	16,794
TOTAL EXPENDITURES	\$ 102,963	\$ 62,420	\$ 165,383
(DEFICIENCY OF REVENUES OVER EXPENDITURES)	\$ 23,334	\$ 30,271	\$ 53,605
OTHER FINANCING SOURCES			
Operating Transfers In	-	5,440	5,440
Operating Transfers Out	(5,440)	-	(5,440)
TOTAL OTHER FINANCING SOURCES (USES)	(5,440)	5,440	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES)	\$ 17,894	\$ 35,711	\$ 53,605
FUND BALANCES - Beginning of Year	191,429	104,620	296,049
FUND BALANCES - End of Year	\$ 209,323	\$ 140,331	\$ 349,654

See notes to financial statements.

ALOHA TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2004

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
TAXES						
Current Property Taxes	\$ 33,500	\$ 36,180	2,680	\$ 67,000	\$ 73,684	6,684
Property Tax Administration Fees	7,400	8,846	1,446	-	-	-
TOTAL TAXES	40,900	45,026	4,126	67,000	73,684	6,684
STATE REVENUES						
State Liquor Fund	140	138	(2)	-	-	-
State Shared Revenues	65,000	71,429	6,429	-	-	-
TOTAL STATE REVENUES	65,140	71,567	6,427	-	-	-
CHARGES FOR SERVICES						
Cemetery Lot Sales - Perpetual Care	-	-	-	500	1,370	870
Other - Intergovernmental	-	-	-	4,000	16,200	12,200
TOTAL CHARGES FOR SERVICES	-	-	-	4,500	17,570	13,070
INTEREST	3,000	4,424	1,424	1,150	1,087	(63)
OTHER	4,750	5,280	530	150	350	200
TOTAL REVENUES	\$ 113,790	\$ 126,297	\$ 12,507	\$ 72,800	\$ 92,691	\$ 19,891
EXPENDITURES						
LEGISLATIVE						
Township Board	\$ 23,800	\$ 18,675	\$ 5,125	\$ -	\$ -	\$ -
GENERAL GOVERNMENT						
Supervisor/Assessor	22,246	22,183	63	-	-	-
Elections	-	-	-	-	-	-
Clerk	10,680	10,122	558	-	-	-
Board of Review	3,500	2,856	644	-	-	-
Treasurer	16,480	16,472	8	-	-	-
Township Hall	17,600	15,061	2,539	-	-	-
Cemetery	-	-	-	4,600	26,511	(21,911)
TOTAL GENERAL GOVERNMENT	\$ 70,506	\$ 66,694	\$ 3,812	\$ 4,600	\$ 26,511	\$ (21,911)

See notes to financial statements.

ALOHA TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2004

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)						
PUBLIC SAFETY						
Law Enforcement - Liquor	\$ 850	\$ 800	\$ 50	\$ -	\$ -	\$ -
Fire Department	-	-	-	33,500	35,909	(2,409)
TOTAL PUBLIC SAFETY	850	800	50	33,500	35,909	(2,409)
PUBLIC WORKS						
Highways and Streets						
Street Lighting	2,500	1,499	1,001	-	-	-
Construction	20,000	210	19,790	-	-	-
Total Highways and Streets	22,500	1,709	20,791	-	-	-
Fire Hall - Repairs	500	-	500	-	-	-
Sanitary Landfill - Services	13,000	15,085	(2,085)	-	-	-
TOTAL PUBLIC WORKS	36,000	16,794	19,206	-	-	-
TOTAL EXPENDITURES	\$ 131,156	\$ 102,963	\$ 28,193	\$ 38,100	\$ 62,420	(24,320)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,366)	23,334	40,700	34,700	30,271	(4,429)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	6,000	5,440	(560)
Operating Transfers Out	6,000	(5,440)	11,440	-	-	-
TOTAL OTHER FINANCING SOURCES	6,000	(5,440)	11,440	6,000	5,440	(560)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING	\$ (11,366)	\$ 17,894	\$ 29,260	\$ 40,700	\$ 35,711	\$ (4,989)
FUND BALANCE - Beginning of year		191,429			104,620	
FUND BALANCE - End of Year		<u>\$ 209,323</u>			<u>\$ 140,331</u>	

See notes to financial statements.

ALOHA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. FINANCIAL REPORTING ENTITY:

The Accounting policies of Aloha Township (the "Township") conform to generally accepted accounting principles as applicable to governmental units, the criteria and guidelines of Governmental Accounting Standards Board (GASB) Statement No. 14. The financial statements of the Township include all funds, account groups, and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Board). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township, obligations of the Township to finance any deficits that may occur, or receipt of significant subsidies from the Township. Based on the foregoing criteria, no other organizations have been included in the Township's financial statements. The Benton, Aloha, and Grant Township Fire Department Fund has been included in the financial statements of Benton Township.

2. BASIS OF PRESENTATION – FUND ACCOUNTING:

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The financial statements of the Township are reflected in the following fund types, fund categories, and account group.

A. GOVERNMENTAL FUNDS:

1. General Fund:

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds:

Special revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

B. FIDUCIARY FUND:

Trust and Agency Funds:

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

C. GENERAL FIXED ASSET ACCOUNT GROUP:

This account group is used to account for the Township's fixed assets.

ALOHA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2004

D. TOTAL COLUMNS ON COMBINED STATEMENTS:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

3. BASIS OF ACCOUNTING:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related liability is incurred. Agency Fund assets and liabilities are accounted for on the modified accrual basis.

4. RECEIVABLES:

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

5. FIXED ASSETS:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in General Fixed Assets Account Group, rather than in governmental funds.

6. VACATION, SICK LEAVE, AND COMPENSATED ABSENCE:

The Township does not provide compensation for vacation hours or sick pay. With exception, to the pension plan described in Note H, the Township does not provide any other Deferred Compensation Plan or any other Post-employment Benefits.

7. BUDGETARY ACCOUNTING:

An operating budget is adopted each fiscal year for all governmental fund types at the activity level on the same modified accrual basis used to reflect actual revenues and expenditures. Reported budgeted amounts are as originally adopted or as amended by the Township Board. The Township does not utilize a formal encumbrance system.

8. RISK FINANCING:

The township has transferred the risk of loss associated with general liability by purchasing insurance from commercial insurance carriers.

ALOHA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2004

NOTE B: RECOGNITION OF PROPERTY TAX REVENUE

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County delinquent rolls. Cheboygan County purchases the delinquent real property taxes of the Township. The County intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place in June 2004. These taxes have been recorded as revenue for the current year. In accordance with the National Council of Governmental Accounting (NCGA) Statement No. 3, property taxes are recognized in the period they become both measurable and available to finance expenditures. The township SEV value at December 31, 2003, which taxes were assessed was \$75,948,025. The township's taxable value was \$38,251,405. The township's total millage rate for General, Road and Fire was 2.8162%.

NOTE C: PROPERTY AND EQUIPMENT – GENERAL FIXED ASSETS:

The components of the General Fixed Assets Group are summarized as follows:

	Balance 4/01/03	Additions	Balance 3/31/04
Land and Improvements	\$ 36,191	\$ 17,578	\$ 53,769
Buildings and Improvements	35,091		35,091
Machinery and Equipment	11,482		11,482
Fire Equipment	62,964		62,964
Office Furniture and Fixtures	19,837	1,849	21,686
Investment in General Fixed Assets	<u>\$ 165,565</u>	<u>\$ 19,427</u>	<u>\$ 184,992</u>

NOTE D: CASH AND CASH EQUIVALENTS

A summary of the caption cash and cash equivalents (at cost) on the combined balance sheet consists of the following depository accounts by type:

Cash in Demand Accounts	\$ 3,003
Cash in Savings	151,944
Certificate of Deposits	182,593
	<u>\$337,540</u>

Deposits of the Township are at banks in the name of the Township. Act 217, P.A. 1982, authorizes the units of local government to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations.

At March 31, 2004 the carrying amount of the Township's cash and certificates of deposit were federally insured by the FDIC.

Statutory Authority Act 217, P.A. 1982, authorizes the Township to deposit and invest in:

- a. Bonds and other direct obligations of the United States or it's agencies.

ALOHA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2004

NOTE D: CASH AND CASH EQUIVALENTS (continued)

- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, P.A. 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and more than 50 percent of any fund may be invested in commercial paper any time.
- d. United States government of federal agency obligation repurchases agreements.
- e. Banker's acceptance of United States banks.
- f. Mutual funds composed of investments, which are legal for direct investments by local units of government in Michigan.

The Township's deposits are in accordance with statutory authority.

Michigan law (Section 3, Act 40, P.A. 1932, as amended) prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

NOTE E: INTER-FUND PAYABLES AND RECEIVABLES:

The following is a schedule of inter-fund payables and receivables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 609	\$
Tax Collection Fund	<u> </u>	<u>609</u>
	<u>\$ 609</u>	<u>\$ 609</u>

ALOHA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2004

NOTE G: BUDGET COMPLIANCE

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements (Pages 4 and 5), the Township's actual expenditures and budgeted expenditures of the budgetary funds have been shown on an activity level. The approved budgets of the Township for these budgetary funds were adopted on the activity level and on the modified accrual basis of accounting.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated at the activity level, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
CEMETERY FUND			
Cemetery	4,600	26,511	(21,911)
FIRE FUND			
Fire Department	33,500	35,909	(2,409)

NOTE H: DEFINED CONTRIBUTION PLAN

The Township implemented a defined contribution pension plan in 1992. All elected officials participate in the plan. Under the plan the Township contributes 15% of the official's base compensation to the plan. Payroll covered for the year ended March 31, 2004 was \$32,809. Contributions for the plan this year is \$4,921.

The Township participated in a defined contribution money purchase pension plan and trust. The Township is responsible for the administration of the plan and is assisted by Manulife Group and Pension. Contributions to the plan are made to the employees account and are 100% guaranteed to principal and fully vested at time of entering the plan. All employees of the Township who are over 18 years of age are eligible to enter the plan.

Total accumulated funds in the plan at year end is \$48,931.

GENERAL FUND

ALOHA TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED REVENUES
YEAR ENDED MARCH 31, 2004

REVENUES

Taxes

Current Property Taxes

\$ 36,180

Property Tax Administration Fees

8,846

\$ 45,026

State Shared Revenues

71,429

State Liquor Fund

138

Interest

4,424

Other

5,280

TOTAL REVENUES

\$ 126,297

ALOHA TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
YEAR ENDED MARCH 31, 2004

EXPENDITURES
LEGISLATIVE

Township Board

Wages	\$ 5,200
Printing and Publishing	568
Insurance	3,931
Payroll Taxes	713
Transportation	366
Miscellaneous	737
Pension	-
Professional Services	7,160
	<hr/>

TOTAL LEGISLATIVE

\$ 18,675

GENERAL GOVERNMENT

Executive

Salary	6,946
Office Supplies	296
Transportation	1,500
Contracted Services	1,251
Meetings	2,600
Capital Outlay	-
	<hr/>
	12,593

Assessor

Wages	8,600
Other	-
Professional Services	990
	<hr/>
	9,590

Elections

Salary	-
Printing and Publishing	-
	<hr/>
	-

Clerk

Salary	7,230
Office Supplies	378
Professional Services	564
Transportation	750
Meetings	1,200
Capital Outlay	-
	<hr/>
	10,122

Board of Review

Wages	2,200
Office Supplies	80
Printing and Publishing	436
Other	140
	<hr/>
	2,856

See notes to financial statements.

ALOHA TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
YEAR ENDED MARCH 31, 2004

EXPENDITURES (CONTINUED)
GENERAL GOVERNMENT (CONTINUED)

Treasurer

Salary	\$ 7,230
Office Supplies	1,289
Professional Services	3,003
Transportation	750
Capital Outlay	-
Meetings	4,200
	<u>16,472</u>

Township Hall

Utilities	2,450
Repairs and Maintenance	8,762
Equipment	2,000
Capital Outlay	1,849
	<u>15,061</u>

TOTAL GENERAL GOVERNMENT

\$ 66,694

PUBLIC SAFETY

Liquor Laws - Wages	800
Supplies	-
	<u>-</u>

TOTAL PUBLIC SAFETY

800

PUBLIC WORKS

Highway and Streets	
Street Lighting	1,499
Repairs/Maintenance, Construction	210
	<u>1,709</u>

Fire Hall

Repairs/Maintenance	-
	<u>-</u>

Sanitary Landfill
Services

15,085

TOTAL PUBLIC WORKS

16,794

TOTAL EXPENDITURES

\$ 102,963

SPECIAL REVENUE FUNDS

ALOHA TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

ASSETS

	<u>Cemetery</u>	<u>Fire</u>	<u>Road</u>	<u>Total</u>
ASSETS				
Cash	\$ 437	\$ 324	\$ 131,268	\$ 132,029
Taxes Receivable		4,151	4,151	8,302
	<u>\$ 437</u>	<u>\$ 4,475</u>	<u>\$ 135,419</u>	<u>\$ 140,331</u>
TOTAL ASSETS (EQUAL TO FUND BALANCES)	<u>\$ 437</u>	<u>\$ 4,475</u>	<u>\$ 135,419</u>	<u>\$ 140,331</u>

See notes to financial statements.

ALOHA TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004

REVENUES	<u>Cemetery</u>	<u>Fire</u>	<u>Road</u>	<u>Total</u>
Taxes	\$ -	\$ 36,842	\$ 36,842	\$ 73,684
Lot Sales	1,370	-	-	1,370
Rental	350	-	0	350
Interest	<u>55</u>	<u>7</u>	<u>1,025</u>	<u>1,087</u>
TOTAL REVENUES	<u>\$ 1,775</u>	<u>\$ 36,849</u>	<u>\$ 37,867</u>	<u>\$ 76,491</u>
EXPENDITURES				
Public Safety	\$ -	\$ 35,909	\$ -	\$ 35,909
General Government	<u>26,511</u>			<u>26,511</u>
TOTAL EXPENDITURES	<u>\$ 26,511</u>	<u>\$ 35,909</u>	<u>\$ -</u>	<u>\$ 62,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,736)	940	37,867	14,071
OTHER FINANCING SOURCES				
Intergovernmental Transfer	16,200	-	-	16,200
Operating transfers out	-	-	-	-
Operating transfers in	<u>5,440</u>	<u>-</u>	<u>-</u>	<u>5,440</u>
	21,640	-	-	21,640
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>(3,096)</u>	<u>940</u>	<u>37,867</u>	<u>35,711</u>
FUND BALANCES BEGINNING OF YEAR	3,533	3,535	97,552	104,620
FUND BALANCES END OF YEAR	<u>\$ 437</u>	<u>\$ 4,475</u>	<u>\$ 135,419</u>	<u>\$ 140,331</u>

See notes to financial statements.

FIDUCIARY FUND TYPES
TRUST AND AGENCY FUND

ALOHA TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CURRENT TAX COLLECTION FUND
YEAR ENDED MARCH 31, 2004

ASSETS

	<u>Balance</u> <u>4/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/04</u>
Cash	\$ -	\$ 976,681	\$ 976,072	\$ 609

LIABILITIES

Due to Other Funds	\$ -	\$ 95,359	\$ 94,750	\$ 609
Due to County	-	180,754	180,754	-
Due to School	-	660,533	660,533	-
Due to Senior	-	16,288	16,288	-
Due to Library	-	23,747	23,747	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 976,681</u>	<u>\$ 976,072</u>	<u>\$ 609</u>

See notes to financial statements.

Elliott & Sangster

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL CORPORATION

123 N. HURON ST.

CHEBOYGAN, MI 49721

(231) 627-4725 • Fax (231) 627-7871

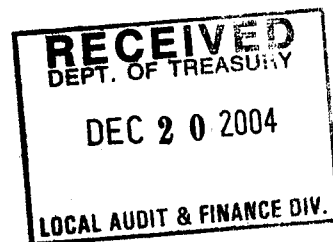
Christopher R. Sangster, MST, CPA
Gregory J. Elliott, CPA

MEMBER

MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

September 3, 2004

Township Board
Aloha Township
Cheboygan County
Cheboygan, MI 49721



Comments and Recommendations

In planning and performing our audit of the general purpose financial statements of the Township of Aloha for the year ended March 31, 2004, we consider the Township's internal structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Because of the nature in general of the control environment of small townships, we limit our study and evaluation of internal control to the preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because we are not relying on the entity's internal accounting controls to restrict our substantive tests, the study and evaluation of the internal accounting controls did not extend beyond this preliminary review phase. Accordingly, we do not express an opinion on the system of internal accounting control taken as a whole. However, our examination disclosed no conditions that we believe to be a material weakness.

This report and accompanying recommendations are intended for the use of the Township and should not be used for other purpose.

1. The Township's Special Funds had two items in excess of budgeted expenditures. We recommend expenditure line items be continually monitored throughout the year to assure compliance.
2. At the end of the fiscal year, the tax checking and savings account should not have an account balance. We recommend the Treasurer should disburse amounts due prior to the year-end.

We would like to thank both Mrs. Barr and Mr. Veneros for their assistance during the audit and for the fine job they did with the accounting of the Township records. If there are any questions regarding this comment or the audited statements, please feel free to contact us.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Elliott & Sangster".

Elliott & Sangster, PC